

Testimony of Martha Ross, Deputy Director  
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Before the Council of the District of Columbia  
Committee on Housing and Workforce Development

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Good morning Councilmember Barry and other Council members. My name is Martha Ross and I am Deputy Director of Greater Washington Research at Brookings. Thank you for the opportunity to testify on the proposed FY 2010 budget of the Department of Employment Services.

I'd like to start out by saying that I think the city is lucky to have someone of Joe Walsh's caliber as the Director of the Department of Employment Services. He brings energy, lots of ideas and receptivity to community partners. I hope he sees fit to stay with the city for a long time.

I understand that Mr. Walsh is planning to strengthen the agency's activities and programs for disconnected youth and adult job training, which is sorely needed. His idea to use federal stimulus money immediately on weatherization training is smart, since it provides a relatively quick training opportunity for jobs that are related to other stimulus priorities. He is planning to apply for competitive federal funding as well related to green jobs and health care, and use youth stimulus funding to support disconnected youth programs, which strikes me as exactly right.

Regarding the budget, I'm going to focus my remarks on a few areas. The FY 2010 budget allocates \$43 million to the summer youth employment program, and \$12 million to the Transitional Employment Program. Especially in a tough budget environment, this is a lot of money. This \$55 million is either entirely or almost entirely in local dollars – there may be a small amount of federal money in there. Only \$9 million is allocated to year-round youth employment programming, and presumably that includes federal Workforce Investment Act funds.

We would all like to have a strong summer jobs program that helps young people gain skills, earn money, and get connected to the world of work. Similarly, providing subsidized jobs to adults with barriers to employment through the Transitional Employment Program is a smart strategy. However, both programs have implementation problems that reduce their cost-effectiveness and ability to achieve their goals. Additionally, I am distressed at the lack of attention provided to year-round programs for youth, including those disconnected from school and/or employment.

In 2007, DOES served 357 in-school youth and 290 out-of-school youth in year-round employment programs, for a grand total of 647 in year-round programs. Numbers for 2006 are similar. Compare to this to the estimate from an earlier Brookings report that about 4,400 to 6,000 youth between the ages of 16 and 24 are not enrolled in school and

working less than full-time. Even if the number is smaller – I’ve heard Vinnie Schiraldi, Director of the Department of Youth Rehabilitation Services, estimate there are about 2,750 disconnected youth in the city – our year-round programs for in-school and disconnected youth are way too small.

With so few year-round slots, most youth in the summer jobs program cannot go on to participate in year-round programs, and lose a chance to reinforce the lessons and learning of the summer jobs experience. Youth, especially those with multiple challenges, benefit from the supportive structure of a well-run long-term program, and they don’t get that through summer jobs.

As you know, there were well-publicized problems with last summer’s jobs program, due in large part to a few key decisions, such as not putting a cap on enrollment and extending the length of the program from 6 weeks to 10 weeks. Given last year’s problems, which have been amply detailed in an internal report from the administration as well as a report by the DC Auditor, I’m surprised that the city decided to keep the same parameters. I am in favor of big investments in programs that are likely to generate high returns in the forms of good outcomes, but the summer jobs program appears to be a big investment with uncertain, uneven, and sometimes really bad outcomes, at least as it has been implemented locally. The problems predate last summer – in a 2007 roundtable convened by then-Councilmember Carol Schwartz, nonprofit service providers provided specific examples of numerous problems with registration and administration, using words like “excruciating,” “chaotic,” “confusing” and “demoralizing.” Young people reported getting paid to watch TV and eat. With no work to do and no supervisors keeping track of them, some participants faked the hours on their timesheets. Private-sector involvement has been minimal. After last summer’s experience, the DC Chamber of Commerce withdrew from the program and I believe is setting up its own summer program.

Although some youth have positive experiences every year (including last year), that outcome is due to the initiative and organizational skills of particular host sites, not the standards set by DOES or oversight by the agency. Even before the program’s expansion in 2008, DOES was unable to administer a high-quality program. The agency needs to focus on core issues: improving its program administration, getting youth work-ready, defining quality job placements, developing the capacity to monitor host sites, and engaging employers.

It is irresponsible to put \$43 million in precious local dollars towards a program with this kind of track record, especially after allowing minimal time for the agency to regroup, reassess, and build standards and processes that would assure a quality experience. I recommend that the city use some of these funds towards year-round programs, with a focus on serving disconnected youth. The city could release a Request for Proposals for programs that serve youth and young adults with a combination of occupational skills training, basic skills education, work readiness services, and maybe a stipend for participants. There are some non-profits that offer those services currently, and I’m not sure what their capacity is to expand, but we can develop a strategy over a couple years to

increase slots. By my back-of-the-envelope calculations, the city could serve another 200 youth in programs like YouthBuild and youth service corps for about \$4 million. Other programs that aren't targeted to youth specifically, such as the Center for Employment Training and the Excel Institute, could serve another 200 at a cost of \$2.6 million. I'm giving these cost estimates and naming these organizations as an example, not as an exclusive list – I'm sure there are other strong programs I could have listed and that would submit strong proposals. In deciding how much to budget for the 2010 summer jobs program, the agency should decide how many youth it can serve in a high-quality program (certainly less than 21,000, and probably less than 15,000 participants) at the same time it is making the kind of program improvements I outlined above, and budget accordingly.

Although this hearing is about the FY 2010 budget, I would also like to bring up the FY 2009 budget and the summer jobs program. The budget for the 2009 summer jobs program is \$23 million, and was developed assuming fewer youth (about 15,000) and six weeks instead of ten weeks. The agency appears to be using 21,000 youth as a baseline for this summer. Subsidized wages alone for 21,000 youth will cost about \$33 million - \$10 million more than was budgeted for. Presumably, the agency thinks that \$43 million is the true amount the summer jobs program will cost – although inflation and increases in the minimum wage increase the 2010 cost from the 2009 cost, that's still \$20 million more than we've got budgeted for this summer. How is the city going to pay for this summer's jobs program? That's not a rhetorical question. One option is to cut the length from 10 weeks back to six weeks, which would reduce the amount the city pays in subsidized wages to about \$20 million. Or cut it to five weeks, which would reduce the cost of subsidized wages to about \$17 million.

We should all want Mr. Walsh to succeed and the summer jobs program to succeed—I certainly do. I think he's made some smart choices to improve the program. But what the city has done thus far— set an audacious goal and barrel ahead with minimal planning – does not inspire confidence that it will achieve the goals we all want it to achieve.

Thank you for your time and attention. I'm happy to answer any questions.